



State of Utah
DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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June 11, 1998

CERTIFIED RETURN RECEIPT
P 074 976 649

Alfred Miossi
Utah Marblehead Lime Company
390 East Joe Orr Road
Chicago Heights, Illinois 60411

Re: Formal Approval of Form and Amount of Replacement Reclamation Surety, Utah Marblehead Lime Company, Utah Marblehead Lime Quarry, M/045/003, Tooele County, Utah

Dear Mr. Miossi:

On June 9, 1998, the Acting Director of the Division of Oil, Gas and Mining formally approved the form and amount of replacement reclamation surety for Utah Marblehead Lime Company's Marblehead Lime Quarry. At this time, there is no change to the approved mining and reclamation plan. The latest replacement surety amount is only an escalated figure based upon the current reclamation plan and the original reclamation cost estimate.

The new surety bond # _____ issued by United States Fidelity and Guaranty replaces the current Safeco Insurance Company of America surety bond # _____. A copy of the signed and fully executed Reclamation Contract and surety bond form is enclosed for your files. Also enclosed is the original Safeco Insurance bond # _____ with accompanying rider for your return to the surety company.

Utah Marblehead Lime Company filed a replacement surety with our office in April 1997. This surety was returned to you because the replacement dollar amount had not been properly updated and escalated 5 years forward. It is standard procedure whenever we receive a change in the form of surety (or surety company) that the reclamation surety estimate is updated to current dollars and escalated five years into the future. In 1997, we informed you of the new surety amount escalated to the year 2002.

On June 4, 1998, we received the new replacement surety (\$62,500) which was updated last year and escalated to year 2002 dollars. Because there is less than 5% difference between year 2002 and 2003 dollars, the Division will not require the surety amount to be changed at this time. However, in 2002, the surety will again have to be updated and escalated five years forward. Any proposed changes to the mining and reclamation plan may also require a modification/adjustment to the surety amount.